



# Interim Report

Fourth Quarter ————— Fiscal Year 2025

## Managing Director's Review

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Two significant events occurred over the past year that highlight the continued importance of our close ties to the USA. Economically, our tourism sector welcomed 12.5 million visitors to the country, the third consecutive year of record-breaking arrival numbers (2024, 11.2M; 2023, 9.6M). Politically, we witnessed the arrival of the first confirmed US Ambassador to The Bahamas in 15 years, His Excellency Mr. Herschel Walker.

Also, thanks to good fortune, we once again remained largely free from any serious storm impact, particularly from Hurricane Melissa, which ravaged Jamaica in late October and passed quickly through our southern islands.

Despite a continued hard market, the business closed 2025 with positive gains in both our Agency and Underwriting segments. Consolidated net income advanced by \$3.5M, bolstered by a \$2.6M gain in our underwriting segment and \$0.9M in our agency results. Shareholders enjoyed an 18% increase in earnings per share, from \$1.32 to \$1.56.

Our underwriting segment outperformed for the period thanks to a healthy \$41M increase in insurance revenue (\$113M to \$154M). This increase, however, was largely offset by a comparable \$40M increase in net expense from reinsurance contracts held, as much of the new business derived from placement arrangements. In addition, the combined contribution from interest income, insurance finance income, dividend income and other income provided a \$3.5M boost to revenue, a 25% increase over 2024.

Agency posted a 10% gain in net income, assisted by an 8% increase in net revenue from contracts with customers and a slight increase in interest income (from \$330k to \$388k). These gains were moderated by a 7% increase in other expenses (from \$17.4M to \$18.7M).

As I assume the duties of Managing Director of this iconic Bahamian company, I look forward to working with my colleagues in continuing to provide exceptional service to our clients. I want to thank our customers, shareholders, and our Board of Directors for their support, and our staff for their continued professionalism.

Finally, I think I speak for all at JS Johnson in thanking my predecessor, Alister McKellar, for his tenure of service with the company. His expertise and experience have served the company well over his 45 years, and we're grateful that he'll remain a consultant.

**William Mills, BComm, ACII, ARM**  
Managing Director

# Consolidated Statement of Financial Position

As at December 31, 2025 (amounts expressed in Bahamian dollars)

December 2025

December 2024

## ASSETS

Cash and bank balances	\$	23,211,189	28,194,795
Term deposits		12,601,615	12,386,878
Accounts receivable		14,976,219	16,518,194
Due from insurance carriers		201,042	61,373
Investments in securities			
- fair value through profit or loss		17,703,286	15,683,047
- Amortized costs		28,968,042	21,785,962
Prepayments and other assets		237,182	529,614
Reinsurance Contract Assets		29,683,832	31,343,483
Right of use asset		525,660	508,954
Investment properties		536,916	536,916
Property, plant and equipment		7,684,980	7,847,656
<b>Total assets</b>	<b>\$</b>	<b>136,329,963</b>	<b>135,396,872</b>

## LIABILITIES

Insurance Contract Liabilities:			
Liability for Remaining Coverage	\$	49,261,420	50,242,115
Liability for Claims Incurred		3,081,213	6,274,559
		52,342,633	56,516,674
Other liabilities:			
Due to related parties		626,161	926,457
Accounts payable		6,725,527	10,534,073
Lease Liability		550,312	522,617
Accrued expenses and other liabilities		4,677,054	3,340,552
<b>Total liabilities</b>		<b>64,921,687</b>	<b>71,840,373</b>

## EQUITY

Share capital			
Authorized ordinary shares - 40,000,000 of \$0.01 each	\$	400,000	400,000
Unissued ordinary shares - 32,000,000 of \$0.01 each		(320,000)	(320,000)
Issued and fully paid ordinary shares-8,000,000 of \$0.01 each		80,000	80,000
Retained earnings		44,329,393	39,927,394
Interest in own shares		(84,600)	(84,600)
		44,324,793	39,922,794
Non-controlling interest		27,083,483	23,633,705
<b>Total equity</b>		<b>71,408,276</b>	<b>63,556,499</b>
<b>Total liabilities and equity</b>	<b>\$</b>	<b>136,329,963</b>	<b>135,396,872</b>

(unaudited)

# Consolidated Statement of Comprehensive Income

For the twelve months to December 31, 2025 (amounts expressed in Bahamian dollars)

	December 2025	December 2024
<b>INCOME</b>		
Insurance Revenue	\$ 154,860,974	113,577,799
Net revenue from contracts with customers	28,169,466	25,189,848
Insurance finance income	105,000	104,000
Investment income	3,385,389	2,762,894
Change in net unrealised gain on investments in securities	39,280	311,665
Allowance for expected credit loss	100,000	46,121
Total income	\$ 186,660,109	141,992,327
<b>EXPENSES</b>		
Net expense from Reinsurance contracts held	\$ 137,159,458	97,177,956
Salaries and employees benefits	13,841,651	12,856,211
Insurance service expense	10,787,498	10,883,791
Depreciation and amortization	621,479	711,169
Reinsurance finance expense	105,000	80,000
Other operating expenses	6,580,967	6,206,244
Total expenses	\$ 169,096,053	127,915,371
<b>Net income</b>	<b>\$ 17,564,056</b>	<b>14,076,956</b>
<b>Total comprehensive income</b>	<b>\$ 17,564,056</b>	<b>14,076,956</b>
Equity holders of the Company	\$ 12,469,879	10,535,627
Non-controlling interests	5,094,177	3,541,329
	<b>\$ 17,564,056</b>	<b>14,076,956</b>
Earnings per share for the profit attributable to the equity holders of the Company	\$ 1.56	1.32

(unaudited)

# Consolidated Statement of Changes in Equity

For the twelve months to December 31, 2025 (amounts expressed in Bahamian dollars)

	Share Capital	Retained Earnings	Interest in own Shares	Total Shareholders' Equity	Non-Controlling Interest	Total Equity
Balance at						
December 31, 2023	80,000	35,862,047	(84,600)	35,857,447	21,555,452	57,412,899
Total comprehensive income for the year:						
Net income	-	10,535,627	-	10,535,627	3,541,329	14,076,956
Unrealised loss on available for sale securities	-	-	-	-	-	-
Distributions to owners:						
Dividends	-	(6,470,280)	-	(6,470,280)	(1,463,076)	(7,933,356)
<b>Balance at December 31, 2024</b>	<b>80,000</b>	<b>39,927,394</b>	<b>(84,600)</b>	<b>39,922,794</b>	<b>23,633,705</b>	<b>63,556,499</b>
Balance at						
December 31, 2024	80,000	39,927,394	(84,600)	39,922,794	23,633,705	63,556,499
Total comprehensive income for the year:						
Net income	-	12,469,879	-	12,469,879	5,094,177	17,564,056
Unrealised loss on available for sale securities	-	-	-	-	-	-
Distributions to owners:						
Dividends	-	(8,067,880)	-	(8,067,880)	(1,644,399)	(9,712,279)
<b>Balance at December 31, 2025</b>	<b>80,000</b>	<b>44,329,393</b>	<b>(84,600)</b>	<b>44,324,793</b>	<b>27,083,483</b>	<b>71,408,276</b>

(unaudited)

# Consolidated Statement of Cash Flows

For the twelve months to December 31, 2025 (amounts expressed in Bahamian dollars)

	December 2025	December 2024
<b>Cash flows from operating activities:</b>		
Net income for the period	17,564,056	14,076,956
<i>Adjustments for:</i>		
Depreciation and amortization	721,479	711,169
Interest expense	20,119	28,709
Allowance for expected credit loss	(100,000)	(46,121)
Change in net unrealized losses on investments in securities	39,280	(311,665)
Interest income	(1,207,351)	(1,080,987)
Dividend income	(824,782)	(475,054)
Bad debts	48,000	68,983
<b>Cash from operations before changes in assets and liabilities</b>	<b>16,260,801</b>	<b>12,971,990</b>
<b>(Increase)/decrease in assets:</b>		
Accounts receivable	1,493,975	(3,335,523)
Due from insurance carriers	(139,669)	455,253
Prepayments and other assets	292,433	(80,819)
Reinsurance contract assets	1,659,651	(1,589,140)
<b>Increase/(decrease) in liabilities:</b>		
Insurance contract liabilities	4,599,988	3,672,538
Reinsurance contract liabilities	(3,193,346)	2,085,090
Due to related parties	(300,296)	217,420
Accounts payable, accrued expenses and other liabilities	(2,472,044)	1,201,776
<b>Net cash provided by operating activities</b>	<b>18,201,493</b>	<b>15,598,585</b>
<b>Cash flows from investing activities:</b>		
Net placement of term deposits	(158,538)	(176,743)
Purchase of investment property	(5,580,683)	(6,302,051)
Purchase of property, plant and equipment	(475,509)	(750,400)
Purchase of investments in securities	(9,207,679)	684,579
Interest received	1,117,231	1,014,509
Dividends received	824,783	475,054
<b>Net cash used by investing activities</b>	<b>(13,480,395)</b>	<b>(5,055,052)</b>
<b>Cash flows from financing activities:</b>		
Dividends paid to shareholders	(8,067,880)	(6,470,280)
Principal payment of lease liability	27,694	(180,924)
Interest payment of lease liability	(20,119)	(28,709)
Dividends paid to non-controlling interest	(1,644,399)	(1,463,076)
<b>Net cash used in financing activities</b>	<b>(9,704,704)</b>	<b>(8,142,989)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,983,606)</b>	<b>2,400,544</b>
Cash and cash equivalents at beginning of period	28,194,795	25,794,251
<b>Cash and cash equivalents at end of period</b>	<b>23,211,189</b>	<b>28,194,795</b>

(unaudited)

# Notes to Consolidated Interim Financial Statements

## 1. ACCOUNTING POLICIES

These consolidated interim condensed financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year December 31, 2025.

## 2. SEGMENT INFORMATION

The Group is organized into two business segments; Insurance Agents & Brokers and General Insurance.

The segment results for the period ended December 31, 2025 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL
Insurance Revenue	-	154,860,974	154,860,974
Net revenue from contracts with customers	\$ 27,842,107	327,359	28,169,466
Interest income	388,369	818,981	1,207,350
Insurance finance income	-	105,000	105,000
Change in net unrealized gain on investments in securities	-	39,280	39,280
Dividend income	-	776,871	776,871
Other income	271,112	1,130,056	1,401,108
Revaluation for tax assessment	-	100,000	100,000
	<b>\$ 28,501,588</b>	<b>158,158,521</b>	<b>186,660,109</b>
Net expense from Reinsurance contracts held	-	137,159,458	137,159,458
Insurance service expense	-	10,787,498	10,787,498
Depreciation and amortization	545,875	75,604	621,479
Insurance finance expense	-	105,000	105,000
Other expenses	18,681,480	1,741,138	20,422,618
	<b>\$ 19,227,355</b>	<b>149,868,698</b>	<b>169,096,053</b>
<b>Net income</b>	<b>\$ 9,274,233</b>	<b>8,289,823</b>	<b>17,564,056</b>

The segment results for the period ended December 31, 2024 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL
Insurance revenue	-	113,577,799	113,577,799
Net revenue from contracts with customers	\$ 25,845,160	(655,312)	25,189,848
Interest income	329,521	751,466	1,080,987
Insurance finance income	-	104,000	104,000
Change in net unrealized gain on investments in securities	-	311,665	311,665
Dividend income	-	486,451	486,451
Other income	279,480	915,976	1,195,456
Allowance for expected credit loss	-	46,121	46,121
	<b>\$ 26,454,161</b>	<b>115,538,166</b>	<b>141,992,327</b>
Net expense from Reinsurance contracts held	-	97,177,956	97,177,956
Insurance service expense	\$ -	10,883,791	10,883,791
Depreciation and amortization	637,494	73,675	711,169
Reinsurance finance expense	-	80,000	80,000
Other expenses	17,405,350	1,657,105	19,062,455
	<b>\$ 18,042,844</b>	<b>109,872,527</b>	<b>127,915,371</b>
<b>Net income</b>	<b>\$ 8,411,317</b>	<b>5,665,639</b>	<b>14,076,956</b>

The segment assets and liabilities as at December 31, 2025 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL
Total assets	\$ 42,378,341	93,951,622	136,329,963
Total liabilities	22,573,532	42,348,155	64,921,687

The segment assets and liabilities as at December 31, 2024 are as follows:

	AGENTS & BROKERS	UNDERWRITING	TOTAL
Total assets	\$ 46,366,592	89,030,280	135,396,872
Total liabilities	28,247,720	43,592,653	71,840,373

(unaudited)